Miscellaneous Programs

[010-3510] Fire Administration[225-6800] Asset Seizure[240-2610] Employee Assistance Programs

Internal Services

[730-2520] Information Systems

[760-8230] Unemployment Insurance

[770-8220] Workers' Compensation

[790-8500] Equipment Replacement

[795-8210] General Liability



[010-3510] Fire Administration

ACTIVITY DESCRIPTION

This activity funds the City's contract with the Santa Clara County Fire Department (SCCFD) which provides fire suppression and emergency medical services to the Morgan Hill community.

FY 2001/02 HIGHLIGHTS

- Maintained an average response time of 5 minutes per call for service.
- Provided guaranteed paramedic-level emergency medical service in Morgan Hill pursuant to a contract amendment.
- Completed the City's Fire Suppression and Emergency Medical Service Master Plan update.
- Conducted Brush Abatement and Hazardous Vegetation Programs. All costs for the program
 were added to residents' property taxes and collected through the normal property tax
 process.

FY 2002/03 ACTIVITY GOALS

- Maintain response times required by contract for fire and emergency medical service calls and performance standards recommended by the Fire Master Plan process.
- Implement recommendations of the Fire Suppression and Emergency Medical Service Master Plan.
- Continue to offer First Aid, CPR, and other training to City employees on an as-needed basis.

FINANCIAL COMMENTS

Fire Impact Fees are generated to compensate for the impact new development has on the City's fire services. These fees fund projects that offset the effect of this new development. For FY 2001/02, no Fire Impact Fee allocations were recommended. However, the Fire Suppression and Emergency Medical Service Master Plan indicates that an additional fire station should be located in the center of the City that will require the expenditure of fire impact fee funds in a future year. The primary component of this activity is the City's contract with the SCCFD. Under the terms of the contract, the base contract cost is expected to increase by 1.8% in FY 2002/03.

[010-3510] Fire Administration

Acct Description	99/00 Actuals	00/01 Actuals	01/02 Current Budget	01/02 Estimated Actual	02/03 Adopted Budget
42214 TELEPHONE	-	28	-	-	-
42231 CONTRACT SERVICES	3,113,082	3,343,598	3,527,741	3,559,511	3,623,938
42254 POSTAGE & FREIGHT	-	17	-	-	-
42257 PRINTING	55	-			
42000s < <supplies &="" services="">></supplies>	3,113,137	3,343,642	3,527,741	3,559,511	3,623,938
45002 FINANCE SERVICES	5,022	6,691	-	-	<u>-</u>
45000s < <internal services="">></internal>	5,022	6,691	-	-	-
49210 TRANSFER OUT-010 (GENERAL FUND)	6,615	-	-	-	-
49000s < <transfers>></transfers>	6,615	-	-	-	-
FIRE ADMINISTRATION	3,124,774	3,350,334	3,527,741	3,559,511	3,623,938

[225-6800] Asset Seizure

ACTIVITY DESCRIPTION

Asset Seizure Funds are the proceeds of cash and property either used in or received from the arrest of those involved in drug trafficking. These funds are made available to us by our participation in the United Narcotics Enforcement Task Force, which operates in southern Santa Clara and San Benito Counties. These funds are restricted by law for use by law enforcement agencies. It has been the Department's philosophy to use these funds for capital items, which provide benefit to the Department and its enforcement abilities as a whole.

FY 2001/02 HIGHLIGHTS

• Asset Seizure funds were used to acquire and train a new police K-9.

FY 2002/03 ACTIVITY GOALS

• \$20,000 in expenditures from this fund planned for FY02/03 for upgraded dispatch consoles. Total cost of the upgrade is \$110,000, with \$45,000 coming from the Supplemental Law Enforcement Fund (205), and \$45,000 from Police Impact Fund (311).

FINANCIAL COMMENTS

These funds are derived through the seizure of assets obtained through criminal activity and therefore are, by their nature, sporadic and unpredictable. The use of these funds is limited by state and federal statutes. These funds should not be used for ongoing operating expenses.

[225-6800] Asset Seizure

Acc	t Description	99/00 Actuals	00/01 Actuals	01/02 Current Budget	01/02 Estimated Actual	02/03 Adopted Budget
42248	OTHER SUPPLIES	-	1,015	7,500	7,500	14,060
42000	s < <supplies &="" services="">></supplies>		1,015	7,500	7,500	14,060
43825	MACHINERY/EQUIPMENT	26,281	1,036		-	20,000
43000	s < <capital outlay="">></capital>	26,281	1,036	-	-	20,000
	ASSET SEIZURE	26,281	2,052	7,500	7,500	34,060

[240-2610] Employee Assistance Program

ACTIVITY DESCRIPTION

A new fund has been established for FY 2002/03 that will budget funds for various employee financial assistance programs in the future. The FY 2002/03 budget includes funding for an employee computer loan program. Following an application and approval process an employee would be able to purchase a computer system for home use by borrowing the funds from the City. The employee would be able to borrow a maximum of \$2,000 and must repay the City with payroll deductions not to exceed 24 months.

ACTIVITY GOALS

- Make technology use affordable for all employees.
- Encourage the use of technology outside of the workplace.
- · Increase the understanding and potential of technology.
- Improve skills in the workplace by encouraging use at home.

FINANCIAL COMMENT

One time funding for the Computer Loan Program in the Employee Assistance Fund is from all funds on a prorated share based on the number of employees in the fund. Total funding in the first year is \$40,000. The funds will be used on a revolving basis. Future loans will be made from the repayments of previous loans.

[240-2610] Employee Assistance Program

01/02 01/02 02/03 99/00 00/01 Adopted **Current Estimated Acct Description Budget Actuals Actuals Budget Actual** 44605 COMPUTER LOAN PROGRAM 40,000 43000s <<CAPITAL OUTLAY>> 40,000 **EMPLOYEE ASSISTANCE PROGRAMS** 40,000

[730-2520] Information Systems

ACTIVITY DESCRIPTION

This activity manages information technology planning and technical support of the hardware and software required for global City operations. Equipment supported includes approximately 160 personal computers and laptops, 11 servers, and associated peripheral equipment required to sustain our local and wide area networks, electronic mail, remote access to City computers, Internet access, and the City web site.

The City's Computer Committee, which has representatives from all City departments, works with a contracted firm to ensure the reliability of the City's data processing systems and to plan for future City information technology needs.

FY 2001/02 HIGHLIGHTS

- Solicited and awarded a bid for a new hardware maintenance provider. A local firm, Miller Networks, Inc. was awarded the contract. There contract includes providing necessary preventative maintenance to and technical support of personal computers, servers, software, and peripherals in all departments
- Solicited and awarded a contract to upgrade the City's website and include E-government initiatives which permit citizens to complete some transactions with the City on the Internet.
- Established a purchasing program for computers that facilitates computer purchases for all Departments and provides consistency in our computer equipment.
- Updated policies and procedures on computer purchasing to ensure standard, compatible computer hardware and software is purchased throughout the City.
- Updated policies on computer use in the City to address public records act concerns as well as insure consistent, well-reasoned use of computers within the work place.
- Created a method for the storage and retrieval of electronic mail to insure the availability of e-mail records when needed.
- Converted the City's network operating system to a more standard platform to increase network efficiency.

FY 2002/03 ACTIVITY GOALS

- Work with the City's contracted support firm to ensure a highly productive computing work environment
- Convert the City's standard office suite program to Microsoft Office to provide more consistency within the City and with outside users.
- Update the City's website to insure the accuracy and timeliness of information on the website.
- Add more E-government resources to the website to increase community access to City services though the website.
- Reconfigure information technology oversight by establishing an IT Management Group and a IT Users Group to provide more efficient management of our IT systems.

FINANCIAL COMMENTS

The Information Services budget is an Internal Service Fund. User charges to various operating budgets are based on the number of computer users in that department. The proposed budget includes an increase in our hardware maintenance costs consistent with our approved agreement and factoring in additional IT resources. It also includes what is intended to be an annual website update and enhanced E-government initiatives through our website.

Also included in FY 2002/03 are proposals to purchase new financial services and human resources software. Funds for these purchase are available from a result of the elimination of the Finance "internal service" Fund.

[730-2520] Information Systems

				01/02	01/02	02/03
		99/00	00/01	Current	Estimated	Adopted
Acct	Description	Actuals	Actuals	Budget	Actual	Budget
42214	TELEPHONE	-	-	-	268	-
42231	CONTRACT SERVICES	123,672	119,912	149,400	183,264	192,750
42248	OTHER SUPPLIES	2,440	7,423	-	500	-
42299	OTHER EXPENSE	-	86	62,000	28,300	-
42408	TRAINING & EDUCATION	-	-	1,000	500	2,000
42415	CONFERENCE & MEETINGS	-	-	1,500	500	2,000
42601	DEPRECIATION EXPENSE	17,465	33,520		-	
42000s	< <supplies &="" services="">></supplies>	143,577	160,941	213,900	213,332	196,750
43840	COMPUTER EQUIPMENT	-	-	67,600	56,250	264,996
43845	COMPUTER SOFTWARE	-		64,300	40,915	81,330
43000s	< <capital outlay="">></capital>	-	-	131,900	97,165	346,326
45004	BLDG MAINT SERVICES	-		2,705	2,570	3,114
45000s	< <internal services="">></internal>	-	-	2,705	2,570	3,114
49200	TRANSFER OUT-ONE TIME	-		-	-	40,000
49000s	< <transfers>></transfers>	-	-	-	-	40,000
	INFORMATION SERVICES	143,577	160,941	348,505	313,067	586,190

[760-8230] Unemployment Insurance

ACTIVITY DESCRIPTION

The Human Resources Office is responsible for managing the unemployment insurance (UI) activity and budget. Working in conjunction with the State Employment Development Department, the Human Resources Office evaluates claims for benefits in an effort to manage the City's liability in this area. The City has chosen the self-insured method as the most cost-effective way to manage the City's unemployment insurance costs, therefore, the City reimburses the State for actual costs incurred for the payment of UI benefits. The State bills the City quarterly so actual payment to the qualified former employee actually precedes the City's reimbursement to the State.

FINANCIAL COMMENTS

The budget for this activity was reduced slightly in FY 2001/02 because of the low claims experience the City had enjoyed over the last several years. During 2001/02, however, an increase in claims experience occurred and the budget needed to be adjusted accordingly. That increase in claims, along with the passage of Senate Bill 40 in October, 2001 which increases the maximum weekly benefit amount from \$230 per week in 2001 to \$330 in 2002, \$370 in 2003, \$410 in 2004, and \$450 in 2005, has resulted in an increased budget for unemployment insurance.

[760-8230] Unemployment Insurance

Acct	Description	99/00 Actuals	00/01 Actuals	01/02 Current Budget	01/02 Estimated Actual	02/03 Adopted Budget
42252	PHOTOCOPYING	7	-	-	-	-
42542	CLAIMS - UNEMPLOYMENT	230	556	19,000	15,000	25,000
42000s	< <supplies &="" services="">></supplies>	230	556	19,000	15,000	25,000
45002	FINANCE SERVICES	150	183	-	-	<u>-</u>
45000s	< <internal services="">></internal>	150	183	-	-	-
	UNEMPLOYMENT INSURANCE	387	739	19,000	15,000	25,000

[770-8220] Workers' Compensation

ACTIVITY DESCRIPTION

The Human Resources Office has the primary responsibility for the City's workers compensation program. The City is self-insured for this employee benefit. Each department pays a portion of the program's cost based on gross wages and level of risk for the various job classifications within the department. The City is responsible for the first \$250,000 of each claim and has an excess insurance policy from that level up to \$5,000,000. The City belongs to an excess insurance, Local Agency Workers Compensation Excess (LAWCX) joint powers agreement, for the purpose of pooling for excess insurance. A third party administrator, Athens Administrators, handles day-to-day workers' compensation claim administration.

FY 2001/02 HIGHLIGHTS

- Solicited proposals for a new workers' compensation third party administrator; interviewed five companies and selected a new TPA, Athens Administrators; prepared new contract for City Council approval. Athens assumed responsibility in February, 2002
- Reviewed workers' compensation responsibilities and requirements with all City supervisors and managers by Athens
- Negotiated contract with Safety provider to assess and guide City to provide the safest work environment possible and to monitor mandated safety training
- Continued participation with the LAWCX as a highly cost-effective method of obtaining workers' compensation excess insurance

FY 2002/03 ACTIVITY GOALS

- Continue to provide information to City employees on workers' compensation benefits and the workers' compensation process in general
- Continue to provide City employees with safe work practice information, with the goal of reducing work place injuries
- Develop and implement Safety Committee practices and provide training to City employees in compliance with new safety regulations

FINANCIAL COMMENTS

This budget has increased to reflect anticipated claims expenses due to increased staffing and a joint concentrated effort between the City and Athens Administrators to close as many old claims as appropriate.

PERFORMANCE MEASURES	FY 2001/02
 Number of workers' compensation claims involving temporary 	8
disability benefits	
Number of lost work days caused by temporary disability	350
Average length of time to bring an injured employee off	55
temporary disability	

[770-8220] Workers' Compensation

				01/02	01/02	02/03
		99/00	00/01	Current	Estimated	Adopted
Acct	Description	Actuals	Actuals	Budget	Actual	Budget
42221	INSURANCE PREMIUMS	15,880	18,904	22,000	35,757	25,000
42230	SPECIAL COUNSEL	4,040	2,707	4,000	90	4,000
42231	CONTRACT SERVICES	23,688	13,453	21,000	53,680	45,000
42244	STATIONARY & OFFICE SUPPLIES	-	-	100	-	100
42248	OTHER SUPPLIES	-	-	100	-	100
42254	POSTAGE & FREIGHT	-	77	200	35	200
42257	PRINTING	-	-	300	-	300
42261	AUTO MILEAGE	-	97	-	-	-
42299	OTHER EXPENSE	1,437	509	2,000	2,945	2,000
42408	TRAINING & EDUCATION	811	165	3,000	393	3,000
42415	CONFERENCE & MEETINGS	-	-	1,500	-	1,500
42423	MEMBERSHIP & DUES	-	-	300	-	300
42435	SUBCRIPTION & PUBLICATIONS	185	215	700	-	700
42545	CLAIMS/WORKER'S COMP	64,303	483,130	424,098	281,001	400,000
42000s	< <supplies &="" services="">></supplies>	110,344	519,256	479,298	373,901	482,200
45002	FINANCE SERVICES	3,715	4,547	-	-	-
45000s	< <internal services="">></internal>	3,715	4,547	-	-	-
	WORKERS COMP	114,059	523,803	479,298	373,901	482,200

[790-8500] Equipment Replacement

ACTIVITY DESCRIPTION

The Equipment Replacement Fund provides a mechanism for the City to budget and fund future replacement of vehicles. Each department that uses City vehicles is charged an annual fee based on future replacement costs and the useful life for each vehicle.

FY 2001/02 HIGHLIGHTS

 This innovative program continues to provide a basis for the City to plan for and achieve incremental costs related to vehicle replacement so as to smooth fluctuations in the City budget in any given fiscal year.

FY 2002/03 ACTIVITY GOALS

 Continue to provide a budgetary planning tool for departments who will require vehicle replacement (i.e. Public Works and Police) which also allows for salvage values, serviceable life spans, accounting replacement contribution and interest distribution. These tracking tools will be updated periodically.

FINANCIAL COMMENTS

Pre-funding of vehicle replacement provides for a measure of budget predictability, insures timely replacement which enhances safety and efficiency, and reduces the need for deficit spending based on a large capital outlay in any given fiscal year. For FY 2002/03 the following equipment are proposed to be replaced:

Equipment to be Replaced	Estimated Replacement Cost
1997 Toro Z Master 325 Mower	\$ 49,825
1985 Beuth Asphalt Roller	27,122
(Replace with Jumping Jack Compaction	Tamper)
1975 Miller Welder	3,500
1990 Ford 5 YD Dump Truck	60,000
1990 Ford 1 Ton Utility Truck	28,177
1996 Ford Ranger	<u> 16,221</u>
TOTAL	\$ 184.845

[790-8500] Equipment Replacement

Acct Description	99/00 Actuals	00/01 Actuals	01/02 Current Budget	01/02 Estimated Actual	02/03 Adopted Budget
42248 OTHER SUPPLIES	450	-	- Budgot	906	- Budgot
42601 DEPRECIATION EXPENSE	148,444	260,406	-	-	-
42000s < <supplies &="" services="">></supplies>	148,894	260,406	-	906	-
43830 AUTO/TRUCKS	-	-	235,001	235,001	184,845
43000s < <capital outlay="">></capital>	-	-	235,001	235,001	184,845
44994 LEASE PAYMENTS	5,667	5,667	-	-	-
44000s < <debt service="">>></debt>	5,667	5,667	-	-	-
45000 GF ADMIN	-	-	1,488	1,414	1,627
45002 FINANCE SERVICES	6,549	8,099	-	-	-
45000s < <internal services="">></internal>	6,549	8,099	1,488	1,414	1,627
EQUIPMENT REPLACEMENT	161,110	274,171	236,489	237,320	186,472

[795-8210] General Liability

ACTIVITY DESCRIPTION

The City purchases liability/property insurance through the Association of Bay Area Governments (ABAG) who offers the ABAG Plan. The City is a member of the ABAG PLAN Corporation for coverage of the liability risks associated with City operations, including the Redevelopment Agency Risk Pool. This provides a pool of liability/property coverage distributed among member municipalities. The liability program offers broad-form coverage, contractual liability, and personal injury. Under this program, the City is self-insured for the first \$100,000 of any liability claim and through the ABAG Plan is covered up to \$10,000,000. Responsibility for claims adjustment is provided by the ABAG Plan. The property program offers a single, all-risk policy covering buildings and contents, boilers and machinery, data processing, vehicles and other coverages. The program carries a \$5,000 deductible, except that there is a \$10,000 deductible for vehicle losses. ABAG support services include risk management, diligent claims administration, actuarial studies, loss control training, financial and other administrative services, and comprehensive legal defense.

FY 2002/03 ACTIVITY GOALS

• City operations will continue to emphasize safety issues and Best Business Practices to minimize situations that require insurance claims.

FINANCIAL COMMENTS

The City is able to manage its risk through a shared pool of liability coverage with other similar legal entities through the ABAG Plan. This enhances efficiency in that ABAG is very familiar with the types of issues that confront local government and the appropriate response to these situations.

PERFORMANCE MEASURES

FY 2001/02

• Percent of claims responded to within the statutory time frame of 45 days, either through a rejection of the claim or other action.

85%

[795-8210] General Liability

				01/02	01/02	02/03
		99/00	00/01	Current	Estimated	Adopted
Acct	Description	Actuals	Actuals	Budget	Actual	Budget
42217	SURETY BOND	401	466	600	466	600
42219	GENERAL LIABILITY INSURANCE	215,371	227,617	240,000	186,000	200,000
42220	PROPERTY INSURANCE	22,875	24,371	30,000	25,340	30,000
42254	POSTAGE & FREIGHT	-	8	-	-	-
42299	OTHER EXPENSE	(92,052)	109,149	-	-	-
42435	SUBCRIPTION & PUBLICATIONS	-	-	200	-	-
42539	CLAIMS FOR DAMAGES	-	66,687	80,000	80,000	80,000
42540	PROPERTY CLAIM	-	7,893	20,000	20,000	20,000
42000s	< <supplies &="" services="">></supplies>	146,595	436,191	370,800	311,806	330,600
45002	FINANCE SERVICES	5,275	6,455	-	-	-
45007	LEGAL SERVICES	10,730			-	
45000s	< <internal services="">></internal>	16,005	6,455	-	-	-
	GENERAL LIABILITY INSURANCE	162,600	442,646	370,800	311,806	330,600